

1 STEPHEN R. HARRIS, ESQ.  
2 Nevada Bar No. 001463  
3 HARRIS LAW PRACTICE LLC  
4 6151 Lakeside Drive, Suite 2100  
Reno, NV 89511  
5 Telephone: (775) 786-7600  
E-Mail: [steve@harrislawreno.com](mailto:steve@harrislawreno.com)

6 BARBARA L. YONG, ESQ.  
Illinois Bar No. 6184000  
7 ROBERT R. BENJAMIN, ESQ.  
Illinois Bar No. 0170429  
8 CAREN A. LEDERER, ESQ.  
Illinois Bar No. 6244631  
9 BEVERLY A. BERNEMAN, ESQ.  
Illinois Bar No. 6189418  
10 ANTHONY J. D'AGOSTINO, ESQ.  
Illinois Bar No. 6299589  
11 GOLAN CHRISTIE TAGLIA LLP  
12 70 West Madison Street, Suite 1500  
Chicago, IL 60602  
13 Telephone: (312) 263-2300  
14 E-Mail: [blyong@gct.law](mailto:blyong@gct.law)  
15 E-Mail: [rbenjamin@gct.law](mailto:rbenjamin@gct.law)  
16 E-Mail: [calederer@gct.law](mailto:calederer@gct.law)  
17 E-Mail: [bberneman@gct.law](mailto:bberneman@gct.law)  
E-Mail: [ajdagostino@gct.law](mailto:ajdagostino@gct.law)

18 Proposed Attorneys for Debtor

19 UNITED STATES BANKRUPTCY COURT

20 FOR THE DISTRICT OF NEVADA

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22 IN RE:

Case No. 17-51019-btb

23 SIERRA CHEMICAL CO., a Nevada  
24 domestic corporation,

(Chapter 11)  
**DECLARATION OF DAVID KUZY IN  
SUPPORT OF EMERGENCY MOTION  
FOR ORDER AUTHORIZING  
MAINTENANCE OF PREPETITION  
BANK ACCOUNTS AND FOR  
APPROVAL OF INTERCOMPANY  
CASH MANAGEMENT SYSTEM**

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26  
27 Debtor.  
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Hearing Date: OST Pending  
Hearing Time: OST Pending  
Estimated Time: 15 minutes  
Set By: Judge Beesley

I, David J. Kuzy, hereby declare as follows:

1. I am over the age of 18 and am mentally competent. Except as otherwise indicated, all facts set forth in this Declaration are based upon my personal knowledge of the Debtor, information learned from my review of relevant documents and information supplied to me by other members of Debtor's management and various business and legal advisors.

2. I am the duly appointed President of SIERRA CHEMICAL CO. ("Sierra").

3. I have read the EMERGENCY MOTION FOR ORDER AUTHORIZING MAINTENANCE OF PREPETITION BANK ACCOUNTS AND FOR APPROVAL OF INTERCOMPANY CASH MANAGEMENT SYSTEM ("Motion") and attest that the contents therein, including exhibits, are true and correct to the best of my knowledge, information and belief.

4. As can be seen from the attached **Exhibit A** to the Motion, the Debtor seeks to maintain its prepetition Bank Accounts and intercompany cash management system, as it would be extremely burdensome and disruptive to the Debtor's ongoing business operations to close these accounts and open new Debtor-in-Possession accounts. As the representative of the Debtor, I believe in my best business judgment that it is in the best interest of the estate and creditors to maintain the Bank Accounts as they existed prepetition.

5. To most effectively use its revenues, the Debtor has two Zero Balance Accounts at Bank of America. The Operating Account is used for business expenses, payroll and vendor payments, and the Controlled Disbursement Account funds tax obligations. Each account has a daily zero balance: any positive cash balance is swept to the Debtor's revolving

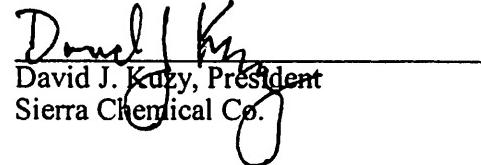
1 loan, and to the extent insufficient cash exists to pay an expense, the account is funded daily by  
2 a draw from the Debtor's revolving loan with Carus, the owner of its stock.

3 6. For post-petition reporting purposes, the Debtor will carefully track in its  
4 individual cash transaction ledgers and financial statements all incoming and outgoing cash,  
5 including transfers affecting the revolving loan.

6 7. In order to avoid possible irreparable harm to the continuing business operations  
7 of the Debtor, it is imperative that the Debtor has a seamless continued use of its existing pre-  
8 petition Bank Accounts. Interruption in the payment and honoring of ACH Debits will result in  
9 the loss of customers and revenues which will be detrimental to the Debtor's Chapter 11  
10 reorganization process.

11 I declare under penalty of perjury that the foregoing is true and correct to the best of my  
12 knowledge and belief.

13 Dated this 30<sup>th</sup> day of August, 2017.

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16 David J. Kuzy, President  
17 Sierra Chemical Co.  
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